M

Secta. II-27—100,000—22-6-38.

Development (1938) Department.

MS SERIES.

G.O. No. 2480

Dated 11- 8- 1938

[Despatch Abstract.]

Fisheries- with curing yards- Issue price of salt Enhancement - Exempt Proposals of the D. I.F.C. Orders Passed.

GOVERNMENT OF MADRAS.

ABSTRACT.

FISHERIES - Fish Curing Yards - Issue price of salt Enhancement - Proposals of the Director of Industries and Commerce - Orders Passed.

DEVELOPMENT DEPARTMENT.

G.O.MS.NO.2420. DATED 11-5-1948.

Read:-

G.O.Ms. 1961 Development dated 21-5-1948
G.O.Ms. 2286 Development dated 12-6-1946.
G. o.Ms.2574 Development dated 13-6-1947.
From the D.I.&C Lr.11537 H5/47 d/4-12-47.
From the D.I.&C Lr.11537 H5/47 d/17-2-48.

ORDER:

In the circumstances explained by the Director of Industries and Commerce in his letters cited His Excellency the Governor of Madras directs that the issue price of salt in the Fish Curing Yards in the West Coast be raised from Rs. 1-14-0 per maund to Rs. 2-8-0 per maund with effect from 15-12-1947 and that the price of Rs. 1-14-0 per maund be retained in respect of salt issued to the curers in the East Coast during the 1947-48 season.

2. The action of the Director of Industries and Commerce in having issued instructions to the Departmental Officers to issue salt at the rate of Rs. 2-8-0 per maund to the curers on the West Coast wit effect from 15-12-1947 in anticipation of the sanction of the Government is approved.

3. The Government of India are being addressed to bear a portion of the loss on the working of the Fish Curing Yards. The question of revising the issue price of salt for the next season will be decided on receipt of theGovernment of India's reply in the matter.

(BY ORDER OF HIS EXCELLENCY THE GOVERNOR)

Sd... 4-5-48.
Secretary to Government.

To
The Director of Industries and Commerce.
The Accountant-General thro' Finance.
Copy to Finance (AA) Department.

/True Copy/

11/5/54

OFFICE ASSISTANT.
MADRAS RECORD OFFICE.

KP/4/2/-.

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INDUSTRIES AND COMMERCE DEPARTMENT.

121959.

From
M.T . Raju Esq., Bar-at-law, I.C.S.,
Director of Industries & Commerce
Triplicane, Madras.

To
The Secretary to Government.
Development Dept.
Madras

No. 11537/H.S./47 dated 4-12-1947.

Sir,

Sub: Fisheries- Fish curing yards-Issue price of salt- West Coast Yards- Increase of- Sanction requested.

In. G.O. No.Ms. 2574 Dev. dated 13-6-1947, Government directed that the issue price of salt to the curers on the West and East Coast fish curing yards be retained at Rs.1/14/- per maund during the 1947-48 season.

2. Tenders have been invited and accepted for the supply and transport (including loading and unloading) of salt required for consumption in the fish curing yards during 1947-48. According to the contracts entered into for the supply andtransport of salt the cost price of salt works out as follows:-

	Rs.	a.	p.	
1) Cost of salt	0	14	6	per maund
2) Loading charges	0	1	11 5	"
3) Freight charges	0	11	5	"
4) Unloading charges	0	5	11	"
5) Apparatus and materials	0	2	10 5	"
6) Establishment charges	0	6	6 8	"
7) Contingencies including indirect charges.	0	1	3 6	"
Rs.	2	12	6 4	"
Current issue price	1	14	0	"
Net deficit	0	14	6 4	"

The estimated consumption of salt during the current season being about three lakhs of maunds, the anticipated net deficit will be Rs.2,71,875/- With a view to minimise the loss to Government on the fish curing yards, it is proposed to enhance the price of salt by As.10/- raising the issue price from Rs.1-14-0 to Rs.2-8-0 per maund. The Government will still be incurring a loss of Rs.0-4-6 per maund and the total loss to Government is likely to be Rs.1,02,036-10-6 which will compare favourably with the losses in the previous years which were as follows:-

year.	Loss
1944-45	Rs.3,05,282
1945-46	Rs.1,50,980

The prevailing market price of salt on the West Coast is reported to be varying from Rs.3 to 4/8/- per maund. In view of the excessive market price of salt we would still be affording the fishermen considerable relief, even if the issue price of salton theWest Coast may be enhanced from Rs.1-14-0 to Rs.2-8-0 per maund from 15-12-47

3. It is not proposed to revise the issue price of salt on the East Coast for the following reasons:-

1) The market price varies from Rs.1-4-0 to Rs-1-8-0 per maund as against the issue price of salt at Rs.1-14-0 per maund.

2) the estimated consumption of salt on the East Cost during 1947-48 is 38666 maunds only as against the estimated consumption salt of 311050 maunds on the West Coast.

3) An enhancement of the price far from materially helping to reduce the deficit may on the other hand, greatly hamper the sales in the yards. The issue price of salt on the East Coast will therefore continue to be Rs.1-14-0 per maund.

4) Instructions are being issued to departmental of ficers to issue salt at the proposed enhanced price of Rs.2-8-0 per maund to the curers resorting to the fish curing yards on the West Coast with effect from 15-12-1947, in anticipation of the sanction of Govt. I request that my action in this regard may be approved.

Sd. xxxxx
6 -12- 1947

Sd- xxxx
6- 12- 1947

Sd. xxxxxxxx
For Director of Industries and Commerce.

/True copy/

Superintendent,
Madras Record Office.

INDUSTRIES AND COMMERCE DEPARTMENT.
No.11537-H5/47 dated 17/12/48.

From:
T.M-S. Mani, O.B.C., I.C.S.,
Director of Industries
and Commerce,
M A D R A S.

To: The Secretary to Government.
Development Department,
M A D R A S.

Sir,

Sub: Fisheries- Fish curing Yards- Issue price of salt- Enhancement- Proposals.

Ref:- Government Memorandum No.121959/F/47-1. dated 17/12/47.

The opinion of the fish curers had not been obtained previously inregard to the proposed increase in the issue price of salt. The curers are opposed to the increase in price, as can be seen from the subsequent representations addressed to the Hon'ble Minister in this regard by the following basiss:

1. Secretary. Vivekodayam reading room & library, Vellayil, Calicut.

2. Secretary, Pudiappa Fishermen Cooperative Society.

3. The West Coast Fisheries Industrial Association through its Committee, Thayil, Cannanore.

2. As regards the effect of the present increase in the issue price of salt on the price of cured fish, I may say that the price of cured fish is influenced more by the laws of supply and demand than the variations in the issue price of salt. The rise in the price of cured fish on accoun of the increase in the issue price of salt is negligible as worked out below. The proportion which the qunatity of sal required to cure fish, bears to the quantity of fish is 1;5 roughly. In other words one maund of salt is required to cure 5 maunds of fish approximately, The issue price of salt having been increased by 0-10-0 per maund., the rise in the price of cured fish will be about 0-2-0 (0-10-) per maund Provided the catches and the price of raw fish remain the same as before. This increase of 0-2-0 is negligibly small

3. The price of salt in the markets on the West Coast ranges from Rs.2-4-0 to Rs.4-4-0 per maund as against the increased issue price of Rs.2-8-0 per maund in the Fish curing yards. Any large increase in the issue price is not unlikely to result in fish being cured badly and unhyginically in private yards. This tendency was referred to by Mr. Bhatia, Assistant Fisheries Development Adviser to the Government of India in the course of a discussion with me on 9/2/1948 I would point out that cured fish is not consumed in the Madras Presidency alone but elsewhere also in India, in appreciable quantities In the interests of,the health of the country, it is desirable to desist from any measure which is likely to drive the cure awaynfrom the well regulated Government controlled y

The whole trouble has arisen as a result of the abolition of the salt duty. Now that the increased price has already been worked in anticipation of Government's orders, nothing need be done immediately to restore the issue price prevalent before 15/12/47, especially as the present increase is likely to raise the price of cured fish by only two annas per maund. But I would suggest very strongly that, for the next season, we should revert to the Rs.1-14-0 rate provided the Government of India agree to bear a proportionof the loss, in view of the importance of properly cured fish to the country as a whole. I would suggest that the Government of India and the Government of Madras should bear the loss in the proportion of 3:1 . In this connection I have to point out that the Government of India were bearing hitherto the loss of the sale duty on such salt. If the Government of India are reluctant to agree to a proportion of 3: 1 or even2 : 1, they might well bear the portion of the loss calculated at the salt duty on the amount of salt actually used for curing

I had put the question of the Central Government bearing a good part of the loss to Mr. Bhatia and he agreed that the proposal would not be inequitable in view of the interests of the other parts of India involved.

I suggest that the Government of India be addressed immediately to agree to the above proposals, in the interests of the Country as a whole.

Sd. xxxxxx
For Director of Indistries and Comm-
-erce.
18-12-1948.

Sd.

/True copy/

Superintendent,
Madras Record Office.

~~DRAFT-II~~

Letter No. 121959 F/47 - 9 dated 11-5-48.

To

The Secretary to the Govt. of India,
Ministry of Industry and Supply,
New Delhi.

Sir,

Sub: Fisheries- Fish Curing Yards- Issue of salt to curers- Loss - Financial assistance from the Govt. of India - Requested.

I am directed to address the Govt. of India for financial assistance in respect of the loss sustained by the Govt. of Madras in working the fish curing yards.

2. The fish curing yards are maintained by the Govt. of Madras both on the East and the West Coasts with a view to facilitate the fishermen to cure fish in the most hygienical method. With a view to encourage the fishermen to cure their fish in the fish curing yards maintained by the Govt., salt is being issued to those fishermen who cure the fish in the yards at controlled rates.

3. Prior to 1943-44 the fish curing yards were working without loss to Govt. During the years 1943 -44 and 1944-45 there was a heavy loss to the Govt. on account of the working of the fish curing yards. due to the conditions created by the war. In May 1945 the Govt. increased the issue price of salt supplied to the curers of fish from Rs.1-4-0 to Rs.1-14-0 per maund. The rate was continued for 1946-47 and 1947-48 seasons also. But the Govt. of Madras continued to incur loss as can be seen from the following statement of the financial results of the Fish Curing Yards from 1943-44 to 1946-47.

Year.	Revenue	Expenditure	Profit (+) or Loss
1943-44	4,36,250-11- 5	6,00,839-15- 3	-1,64,589-3-10
1944-45	4,30,248- 0- 3	7,35,530- 6- 8	-3,05,282-6- 5
1945-46	6,96,225- 5- 4	8,47,205- 7- 5	-1,50,980-2- 1
1946-47	7,32,288-14- 1	8,59,593- 3-11	-1,27,309-5-10

4. According to the contracts entered into for the supp' and transport of salt the cost price of salt works out as follows:-

	Rs.	A.	P.	
1. Cost of salt ...	0	14	6	per maund
2. Loading charges ...	0	1	11.5	per maund
3. Freight charges ...	0	11	-. 11	"
4 Unloading charges ...	0	5	11	
5. Apparatus and Materials...	0	2	10.	
6. Establishment charges --.	)0	6		
7. Contingencies including indirect charges ...	0	1	3.6	"
	2	12	6.4	"
Current issue price	1	14	0.	"
Net cost	0-	14-	6.4	"

The estimated consumption of salt during the 1947-48 season being about three lakhs of maunds, the anticipated net deficit will be Rs.2,71,875/- With a view to minimise the loss to Govt. on the fish curing yards the Govt. of Madras have decided to enhance the issue price of salt in the Fish Curing Yards on the West Coast from Rs.1-14-0 per maund to Rs.2-8-0 per maund with effect from 15-12-47. It is not proposed to enhance the issue price in the East Coast, as the market price there is within the issue price and as the consumption is very small compared with that on the West Coast. TheGovt. will still be incurring a loss of Rs.0-4-6 per maund and the total loss to Govt. is likely to be Rs.1,02,036-10-6 during 1947-48.

5. It is feared that the increase in the issue price of salt is likely to result in fish being cured badly and unhygienically in private yards. This tendency was referred to by Mr. Bhatia, Asst. Fisheries Development Adviser to the Govt of India, in the course of a discussion he had with the D.I.& C, Madras. In this connection I am to point out that the fish cured in the Madras Presidency is not only consumed in this Presidency but elsewhere also in India. In the interests of the health of the country, it is desirable not to embark on any measure which is likely to drive the curers away from the well regulated Govt. controlled yards. In these days of food scarcity, it is all the more necessary to encourage the fish curing industry. In the circumstances stated above, I am directed to request that the Govt. of India may be so good as to share a portion of the loss incurred by the Govt. of Madras in running the fish yards. It is suggested that the Govt. of India and the Govt. Madras may bear the loss in the proportion of 3:1. The Govt. of Madras have been forced to the above decision to enhance the issue price, for want of an alternative solution in the fact of the continued loss year after year. Should the Govt. of India be pleased to share the loss as suggested above, this Govt. propose to restore the issue price to the old level for the next curing season.

6. In this connection I am to point out that prior to 1st April 1947, salt was being issued duty free to the fish curing yards and theGovt. of India were foregoing the salt duty on such salt. The amounts of revenue foregone by the Govt. of India in this regard during 1944-45 to 1946-47 are calculated approximately as follows:-

Year.	Consumption of salt in fish curing yards. in maunds.	Amount of duty foregone by the Govt. of India @ Rs.1-9-0 per maund.
1944-45	3,34,143 mds.	Rs. 5,22,400- 4- 0
1945-46	3,68,851 mds.	Rs. 5,76,329-11- 0
1946-47	3,84,665 mds.	Rs. 6,01,039- 1-0

From the above statement it will be seen that the request of this Govt. for sharing the loss on the running of the fish curing yards by the Govt. of India and this Govt. in the proportion of 3:1 is reasonable and modest.

7. The above question was raised at the discussions ~~xxx~~ which the Hon.D.S.P. Mukherjee, Minister for Industry and Supply had with the officers of the Govt. of Madras at Madras on 24th April 1948. The Hon'ble Minister asked this Govt. to write officially to the Ministry of Industry and Supply.

I am directed to request that the orders of the Govt. of India on the request made above may be obtained and communicated to this Govt. at an early date.

T. O.S.

Copy to the Govt. of India,
Ministry of Agriculture,
New Delhi.

Copy to D.I.& R.D. after one month.

~~Sd. xxxxx~~ ~~Sd. xxxxx~~
~~5-5-48~~ ~~5.5.48~~

~~Sd. xxxx~~ ~~Sd. xxxx~~
~~5-5-48~~ ~~5.5.48~~

/True copy/

S. Jayaraman
Offg Superintendent 11/6/48

~~Superintendent,~~
Madras Record Office.

11/6/48